

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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PUBLIC SERVICE
COMMISSION

In the Matter of:

JOINT APPLICATION OF KENERGY CORP.)
AND BIG RIVERS ELECTRIC CORPORATION) Case No. 2013-00413
FOR APPROVAL OF CONTRACTS AND FOR)
A DECLARATORY ORDER)

ATTORNEY GENERAL'S INITIAL DATA REQUESTS
TO JOINT APPLICANTS

Comes now the intervenor, the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention, and submits these Initial Requests for Information to Big Rivers Electric Corporation, and Kenergy Corp. [hereinafter jointly referred to as "Joint Applicants"] to be answered by the date specified in the Commission's Order of Procedure, and in accord with the following:

- (1) In each case where a request seeks data provided in response to a staff request, reference to the appropriate request item will be deemed a satisfactory response.
- (2) Please identify the witness who will be prepared to answer questions concerning each request.
- (3) Please repeat the question to which each response is intended to refer. The Office of the Attorney General can provide counsel for Joint Applicants with an electronic version of these questions, upon request.

(4) These requests shall be deemed continuing so as to require further and supplemental responses if the Joint Applicants receives or generates additional information within the scope of these requests between the time of the response and the time of any hearing conducted hereon.

(5) Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

(6) **Incorporation by reference:** In the event counsel for Joint Applicants responds to any one or more of the following data requests in the instant case by incorporating a response to a request posed in Case No. 2012-00221, please identify the response fully and accurately, including but not limited to: (a) whether the prior response is intended to respond to any and all subparts in both the question posed in Case No. 2012-00221; (b) whether the prior response applies to any and all subparts of the question posed in Case No. 2013-00413; and (c) whether the response in Case No. 2012-00221 has changed in any manner whatsoever since the response was given in Case No. 2012-00221.

(7) If you believe any request appears confusing, please request clarification directly from Counsel for the Office of Attorney General.

(8) To the extent that the specific document, workpaper or information as requested does not exist, but a similar document, workpaper or information does exist, provide the similar document, workpaper, or information.

(9) To the extent that any request may be answered by way of a computer printout, please identify each variable contained in the printout which would not be self evident to a person not familiar with the printout.

(10) If the Joint Applicants have objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, please notify the Office of the Attorney General as soon as possible.

(11) As used herein, the words "document" or "documents" are to be construed broadly and shall mean the original of the same (and all non-identical copies or drafts thereof) and if the original is not available, the best copy available. These terms shall include all information recorded in any written, graphic or other tangible form and shall include, without limiting the generality of the foregoing, all reports; memoranda; books or notebooks; written or recorded statements, interviews, affidavits and depositions; all letters or correspondence; telegrams, cables and telex messages; contracts, leases, insurance policies or other agreements; warnings and caution/hazard notices or labels; mechanical and electronic recordings and all information so stored, or transcripts of such recordings; calendars, appointment books, schedules, agendas and diary entries; notes or memoranda of conversations (telephonic or otherwise), meetings or conferences; legal pleadings and transcripts of legal proceedings; maps, models, charts, diagrams, graphs and other demonstrative materials; financial statements,

annual reports, balance sheets and other accounting records; quotations or offers; bulletins, newsletters, pamphlets, brochures and all other similar publications; summaries or compilations of data; deeds, titles, or other instruments of ownership; blueprints and specifications; manuals, guidelines, regulations, procedures, policies and instructional materials of any type; photographs or pictures, film, microfilm and microfiche; videotapes; articles; announcements and notices of any type; surveys, studies, evaluations, tests and all research and development (R&D) materials; newspaper clippings and press releases; time cards, employee schedules or rosters, and other payroll records; cancelled checks, invoices, bills and receipts; and writings of any kind and all other tangible things upon which any handwriting, typing, printing, drawings, representations, graphic matter, magnetic or electrical impulses, or other forms of communication are recorded or produced, including audio and video recordings, computer stored information (whether or not in printout form), computer-readable media or other electronically maintained or transmitted information, and all other rough drafts, revised drafts (including all handwritten notes or other marks on the same) and copies of documents as hereinbefore defined by whatever means made.


(12) For any document withheld on the basis of privilege, state the following: date; author; addressee; indicated or blind copies; all persons to whom distributed, shown, or explained; and, the nature and legal basis for the privilege asserted.

(13) In the event any document called for has been destroyed or transferred beyond the control of the company, please state: the identity of the person by whom it was destroyed or transferred, and the person authorizing the destruction or transfer; the

time, place, and method of destruction or transfer; and, the reason(s) for its destruction or transfer. If destroyed or disposed of by operation of a retention policy, state the retention policy.

(14) Please provide written responses, together with any and all exhibits pertaining thereto, in one or more bound volumes, separately indexed and tabbed by each response, in compliance with Kentucky Public Service Commission Regulations.

Respectfully submitted,
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Certificate of Service and Filing

Counsel certifies that an original and ten photocopies of the foregoing were served and filed by hand delivery to Jeff Derouen, Executive Director, Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40601; counsel further states that true and accurate copies of the foregoing were mailed via First Class U.S. Mail, postage pre-paid, to:

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this 5th day of December, 2013



Assistant Attorney General

**Joint Application of Kenergy Corp. and
Big Rivers Electric Corp. for Approval of
Contracts and for a Declaratory Order
Case No. 2013-00413
Attorney General's Initial Data Requests to the Joint Applicants**

1. Reference the Application and the proposed agreement(s) filed for approval. Please provide any and all analyses performed for Big Rivers and Kenergy regarding all costs and benefits of the proposed agreement(s) relating to the Century Sebree Smelter.
2. Reference the Application and the proposed agreements filed for approval, and as to the same, please provide the following:
 - a. Provide all presentations made to the Big Rivers and Kenergy Board(s) of Directors regarding the Application and agreement(s). Please consider this an ongoing request for information.
 - b. Provide all presentations made by Big Rivers and/or Kenergy to RUS, CFC, CoBank, or any other creditors and to the credit rating agencies regarding the Application and agreement(s). Please consider this an ongoing request for information.
3. Reference the Application at page 4, paragraph 6. Please explain what is meant by Big Rivers' "unmitigated revenue loss resulting from the termination by Century Sebree" in light of Big River's rate application in Case No. 2013-00199.
 - a. Has Big Rivers not proposed to recover all of these revenues in its rate filing, Case No. 2013-00199?
 - b. If no to a., please detail what other revenue loss may result and provide all studies, analysis performed, inclusive of workpapers, detailing this additional sum.
 - c. If no to a., please advise if and when Big Rivers intends to seek recovery of this additional revenue loss from its member cooperatives.
7. Reference TE Starheim at page 19, lines 20 to 24 and page 20, lines 1-2. Please explain what is meant by "above and beyond the increase necessary to replace the load" and provide any and all minutes of the meetings of the Kenergy Board of Directors and/or any communications on behalf of the Kenergy Board of Directors relating to proposed Century Sebree transaction.

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8. Reference TE Berry at page 38, line 21 to page 39, line 3. As to this testimony:
 - a. Please provide a detailed estimate of the sum of the costs to be recovered by Big Rivers "relating to differences between the Century Sebree Transaction and the Century Hawesville Transaction".
 - b. Please provide the date(s) by which the above referenced costs will be recovered under the proposed agreement(s); and
 - c. Please describe any other differences between the Century Sebree Transaction and the Century Hawesville Transaction, which have not been discussed in the Application.

9. Reference TE Berry at page 25, lines 3-6. Please provide details of all costs incurred by Big Rivers related to the Century Sebree transaction to date and ongoing as these costs are incurred.

10. Reference TE Berry at page 41, lines 14-16. Please provide information related to the following:
 - a. Please provide the details regarding Big Rivers' estimate that transmission revenue attributable to Century Sebree will be approximately \$5.7 million a year, including any analysis conducted and related workpapers.
 - b. If Century were to buy transmission service directly from MISO, please describe the amount of transmission revenue that Century would pay compared to the amount they will pay under the Direct Agreement using estimates.
 - c. In addition to the testimony referenced above, reference Section 4.1 of the Direct Agreement at Exhibit 9 of the Application. Please explain how "Reliability Costs...would be substantially similar to an SSR agreement" and how they would be different that an SSR agreement, such as the one contemplated by the Century Hawesville transaction?
 - d. Please describe in detail, with explicit mathematical expressions, exactly how, if there is ever a SSR agreement, that Reliability Costs assigned to Century Sebree would be offset by transmission revenue attributable to Century Sebree.
 - e. With respect to the testimony referenced above and Section 4.1 of the Direct Agreement, please explain whether the approach reflected in paragraph 4.1 is

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more or less beneficial to Big Rivers' customers. Please provide specific quantification of the benefits, including relevant workpapers.

11. If the Application and agreement(s) are approved and the agreements finalized, does Big Rivers plan to seek or otherwise implement downward rate adjustments to reflect any and all additional revenue resulting from the agreement(s)?
 - a. If yes, please explain how and when Big Rivers will do so.
 - b. If no, please confirm that Big Rivers will recover revenue relating to serving Century Sebree via both the agreements and from its non-smelter rate classes. Please explain the company's answer.

12. If the Application and agreement(s) are approved and the agreements finalized, is there anything in the agreements to preclude Century Sebree from returning to Big Rivers system for the delivery of wholesale power supply?